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November 5, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: GUNZE LIMITED

Listing: Tokyo Stock Exchange

Securities code: 3002

URL: <https://www.gunze.co.jp/>

Representative: Toshiyasu Saguchi

Inquiries: Junko Nakashima

Telephone: +81-6-6348-1314

Scheduled date to file semi-annual securities report: November 13, 2025

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Representative Director
Corporate Officer, General Manager, Corporate

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	65,270	(3.1)	3,186	(10.7)	3,205	(12.6)	(658)	-
September 30, 2024	67,329	3.3	3,566	10.4	3,667	11.8	2,956	11.3

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (1,758) million [-%]
For the six months ended September 30, 2024: ¥ 4,753 million [(7.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	(20.27)	-
September 30, 2024	88.62	88.42

Notes: 1. As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Basic earnings per share" and "Diluted earnings per share" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

2. Diluted earnings per share for the six months ended September 30, 2025 are not shown because basic earnings per share were negative although there are residual shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	157,440	112,648	70.4	3,410.34
March 31, 2025	159,677	120,982	74.6	3,667.20

Reference: Equity

As of September 30, 2025: ¥ 110,816 million

As of March 31, 2025: ¥ 119,074 million

Note: As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Net assets per share" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	-	-	390.00	390.00
Fiscal year ending March 31, 2026	-	-			
Fiscal year ending March 31, 2026 (Forecast)			-	216.00	216.00

Notes: 1. Revision to the forecast for dividends announced most recently: None

2. Breakdown of the year-end dividend for the fiscal year ended March 31, 2025:

Ordinary dividend: 289.00 yen; Special dividend: 101.00 yen

Breakdown of the year-end dividend for the fiscal year ending March 31, 2026 (Forecast):

Ordinary dividend: 147.00 yen; Special dividend: 69.00 yen

3. As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock.

The figures for the fiscal years ended March 31, 2025 are the amounts of actual dividends paid out before the said stock split.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	140,000	2.1	8,500	7.3	8,300	1.5	2,800	(55.4)	86.19

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies()

Excluded: 2 companies(Tsuyama Gunze Co., Ltd, Gunze Electronics USA Corp.)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: Yes

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	34,587,032 shares
As of March 31, 2025	34,587,032 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	2,092,651 shares
As of March 31, 2025	2,116,804 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	32,477,648 shares
Six months ended September 30, 2024	33,367,012 shares

Note: As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. "Total number of issued shares at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Projections of results and future developments are based on information available to the Company at the current time, as well as certain assumptions judged by the Company to be reasonable. Various factors could cause actual results to differ materially from these projections. For the assumptions that form the basis of the projected results and notes regarding the use of projections, see

“(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” of “1. Qualitative Information on Semi-annual Financial Results for the Period under Review” on page 4 of attached materials.

(Attachment)

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1. Qualitative Information on Semi-annual Financial Results for the Period under Review

(1) Explanation of Business Results

(Overview of Results for the Period under Review)

During the six months ended September 30, 2025 (April 1, 2025 – September 30, 2025), the Japanese economy faced situations where real wages remained negative and consumer spending was sluggish due to consumers' tendency to save money and reluctance to make purchases, although the income environment saw certain improvement owing to wage increases. In addition, the economic outlook remained unclear due to the globally unstable political situation, trade policies of the United States, and China's economic slowdown.

Amid this operating environment, in its medium-term management plan "VISION 2030 Stage 2," launched this fiscal year, the GUNZE Group has defined this period as "three years for transformation" to continue to be the company of choice globally by advancing a sustainable business foundation, and began to strengthen and expand the functional solutions business and medical business, and restructure the apparel business and lifestyle creations business.

The GUNZE Group's operating results for the period under review are as follows:

Net sales:	¥65,270 million	(down by 3.1% year-on-year)
Operating profit:	¥3,186 million	(down by 10.7% year-on-year)
Ordinary profit:	¥3,205 million	(down by 12.6% year-on-year)
Profit (loss) attributable to owners of parent:	¥(658) million	(profit attributable to owners of parent of ¥2,956 million for the same period of the previous fiscal year)

Net sales decreased by ¥2,059 million attributable to the impact of sales of electronic components, for which operations were wound down at the end of the previous fiscal year, and the sluggish demand for plastic films in Japan and overseas.

Operating profit decreased by ¥379 million primarily due to the increase in fixed costs for the medical business and the impact of lower sales volume and higher costs in the apparel business, and ordinary profit decreased by ¥462 million. Profit attributable to owners of parent decreased by ¥3,615 million mainly due to the recording of business restructuring expenses in the apparel business for the three months ended June 30, 2025.

(Results by Business Segment)

[Functional Solutions]

The functional solutions business recorded net sales of ¥23,667 million (down by 7.7% year-on-year) and an operating profit of ¥3,346 million (up by 2.9% year-on-year).

<Major factors in the changes>

- In plastic films, sales were affected by sluggish consumption caused by increased food prices and the downward pressure on prices in the overseas market.
- In engineering plastics, products for semiconductor market were affected by the sluggish market conditions, although products for the office equipment fields generally performed strongly.
- Net sales decreased by approximately ¥1,600 million due to the wind-down of the electronic components business.

[Medical]

The medical business recorded net sales of ¥6,480 million (up by 0.2% year-on-year) and an operating profit

of ¥948 million (down by 25.8% year-on-year).

<Major factors in the changes>

- While expansion of sales of adhesion prevention agent and absorbable medical materials including bone fixation devices progressed in Japan, purchased products such as medical lasers struggled due to intensifying competition.
- Sales of products in China generally performed strongly with a focus on the tissue reinforcement; however, they were affected by regulations on high-cost medical care.
- The business was affected by the increase in fixed costs, including capital expenditures and personnel increases, aimed at the growth of the business, in addition to the impact of exchange rates caused by the depreciation of the Chinese yuan.

[Apparel]

The apparel business recorded net sales of ¥29,785 million (down by 0.3% year-on-year) and an operating profit of ¥249 million (down by 40.3% year-on-year).

<Major factors in the changes>

- While apparel-related sales through physical retail channels, including mass retailers, were affected by unfavorable weather conditions, the reduction in sales floor space and consumers' reluctance to make purchases, expansion of sales through e-commerce progressed driven primarily by *Asedoron* and differentiated ladies' innerwear.
- The business was affected by the impact of higher costs due to lower production volume associated with inventory reductions aimed at business structural reforms and higher labor and other costs.

[Lifestyle Creations]

The lifestyle creation business recorded net sales of ¥5,838 million (up by 1.8% year-on-year) and an operating profit of ¥475 million (up by 56.8% year-on-year).

<Major factors in the changes>

- The real estate category performed well, as the number of visitors increased due to the effects of commercial facility renovations.
- The sports club business improved the profitability due to the recovery of sales at existing stores and the reduction of unprofitable stores.

(2) Explanation of Financial Position

As of September 30, 2025, total assets were ¥157,440 million, a decrease of ¥2,237 million compared to the end of the previous fiscal year. The main components of an increase included a ¥2,517 million increase in buildings and structures, net, mainly due to the building of a new factory for engineering plastics products, while the main components of the decrease included a ¥1,584 million decrease in other, net in property, plant and equipment (construction in progress, etc.), a ¥1,190 million decrease in merchandise and finished goods, and a ¥1,160 million decrease in cash and deposits.

Total liabilities were ¥44,792 million, an increase of ¥6,097 million compared to the end of the previous fiscal year. The main components of the increase included a ¥6,749 million increase in long- and short-term borrowings including commercial papers and a ¥2,189 million increase in provision for business restructuring, while the main components of a decrease included a ¥1,964 million decrease in other in current liabilities (accounts payable - other, etc.).

Net assets were ¥112,648 million, a decrease of ¥8,334 million compared to the end of the previous fiscal year. The main components of the decrease included dividends paid of ¥6,331 million and a ¥1,402 million decrease in foreign currency translation adjustment.

(Cash Flows)

As of September 30, 2025, consolidated cash and cash equivalents were ¥9,380 million, a decrease of ¥1,160 million compared to the end of the previous fiscal year. Below is an overview of cash flows and reasons for changes during the period under review.

Net cash provided by operating activities for the period under review totaled ¥6,650 million, an increase of ¥998 million compared to the corresponding period of the previous fiscal year. The major components of cash inflows included operating profit of ¥3,186 million and depreciation of ¥3,553 million.

Net cash used in investing activities was ¥7,997 million, a decrease of ¥3,742 million compared to the corresponding period of the previous fiscal year. The main components of cash outflows included purchase of non-current assets amounting to ¥7,906 million.

Net cash provided by financing activities totaled ¥554 million, a decrease of ¥17 million compared to the corresponding period of the previous fiscal year. The main components of cash inflows included an increase in short-term borrowings and commercial papers of ¥7,285 million. The main components of cash outflows included ¥6,296 million spent for dividends paid.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

Because the consolidated financial results for the period under review have been almost in line with expectations, the Company has decided not to change its earlier consolidated financial results forecast for the fiscal year ending March 31, 2026, which was announced on May 14, 2025.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	10,541	9,380
Notes and accounts receivable - trade, and contract assets	25,015	24,366
Merchandise and finished goods	24,233	23,042
Work in process	7,606	7,814
Raw materials and supplies	6,631	6,555
Other	3,969	3,576
Allowance for doubtful accounts	(23)	(21)
Total current assets	77,974	74,714
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	36,783	39,300
Machinery, equipment and vehicles, net	13,147	12,781
Land	10,205	10,164
Other, net	7,628	6,044
Total property, plant and equipment	67,764	68,291
Intangible assets	1,786	1,560
Investments and other assets		
Investment securities	3,924	3,991
Other	8,340	8,995
Allowance for doubtful accounts	(114)	(113)
Total investments and other assets	12,151	12,873
Total non-current assets	81,702	82,725
Total assets	159,677	157,440

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,138	7,195
Short-term borrowings	577	819
Commercial papers	-	7,000
Current portion of long-term borrowings	2,611	2,137
Income taxes payable	349	425
Provision for bonuses	1,499	1,497
Provision for business restructuring	96	2,286
Other	11,278	9,313
Total current liabilities	24,551	30,675
Non-current liabilities		
Long-term borrowings	5,668	5,649
Retirement benefit liability	4,133	4,146
Long-term leasehold and guarantee deposits received	3,935	3,938
Other	406	382
Total non-current liabilities	14,143	14,116
Total liabilities	38,694	44,792
Net assets		
Shareholders' equity		
Share capital	26,071	26,071
Capital surplus	6,560	6,579
Retained earnings	85,297	78,028
Treasury shares	(5,273)	(5,214)
Total shareholders' equity	112,656	105,465
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	883	1,162
Deferred gains or losses on hedges	88	224
Revaluation reserve for land	(13)	(13)
Foreign currency translation adjustment	5,194	3,792
Remeasurements of defined benefit plans	264	184
Total accumulated other comprehensive income	6,418	5,351
Share acquisition rights	110	102
Non-controlling interests	1,796	1,729
Total net assets	120,982	112,648
Total liabilities and net assets	159,677	157,440

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	67,329	65,270
Cost of sales	46,299	44,400
Gross profit	21,029	20,869
Selling, general and administrative expenses	17,462	17,683
Operating profit	3,566	3,186
Non-operating income		
Interest income	31	24
Dividend income	155	101
Rental income from non-current assets	253	304
Other	72	71
Total non-operating income	512	502
Non-operating expenses		
Interest expenses	42	35
Rental expenses on non-current assets	244	295
Foreign exchange losses	2	17
Share of loss of entities accounted for using equity method	-	9
Other	122	125
Total non-operating expenses	412	483
Ordinary profit	3,667	3,205
Extraordinary income		
Gain on sale of non-current assets	395	3
Gain on sale of investment securities	455	29
Other	60	-
Total extraordinary income	910	32
Extraordinary losses		
Loss on sale and retirement of non-current assets	155	150
Business restructuring expenses	56	3,498
Other	22	123
Total extraordinary losses	234	3,771
Profit (loss) before income taxes	4,344	(533)
Income taxes	1,353	82
Profit (loss)	2,990	(616)
Profit attributable to non-controlling interests	33	41
Profit (loss) attributable to owners of parent	2,956	(658)

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit (loss)	2,990	(616)
Other comprehensive income		
Valuation difference on available-for-sale securities	(464)	279
Deferred gains or losses on hedges	(133)	135
Foreign currency translation adjustment	2,431	(1,491)
Remeasurements of defined benefit plans, net of tax	(69)	(79)
Share of other comprehensive income of entities accounted for using equity method	-	14
Total other comprehensive income	1,763	(1,141)
Comprehensive income	4,753	(1,758)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,617	(1,724)
Comprehensive income attributable to non-controlling interests	136	(33)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	4,344	(533)
Depreciation	3,389	3,553
Amortization of goodwill	22	22
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in retirement benefit liability	(512)	(488)
Share of loss (profit) of entities accounted for using equity method	-	9
Increase (decrease) in provision for bonuses	1	8
Interest and dividend income	(186)	(125)
Interest expenses	42	35
Foreign exchange losses (gains)	26	(8)
Loss (gain) on sale and retirement of non-current assets	(238)	140
Loss (gain) on sale and valuation of investment securities	(455)	(29)
Business restructuring expenses	56	3,498
Other extraordinary loss (income)	-	123
Other loss (gain)	(11)	(9)
Decrease (increase) in accounts receivable - trade, and contract assets	2,582	300
Decrease (increase) in inventories	(1,488)	562
Decrease (increase) in other current assets	597	521
Increase (decrease) in trade payables	234	(831)
Increase (decrease) in leasehold and guarantee deposits received	(26)	(55)
Increase (decrease) in other current liabilities	(1,377)	238
Increase (decrease) in other non-current liabilities	(4)	(0)
Subtotal	6,996	6,932
Interest and dividends received	186	187
Interest paid	(43)	(41)
Payments for business restructuring expenses	(43)	-
Income taxes refund (paid)	(1,443)	(428)
Net cash provided by (used in) operating activities	5,651	6,650
Cash flows from investing activities		
Purchase of non-current assets	(5,418)	(7,906)
Proceeds from sale of non-current assets	550	12
Payments for retirement of non-current assets	(133)	(107)
Purchase of investment securities	(333)	(609)
Proceeds from sale of investment securities	968	643
Decrease (increase) in loans receivable	(28)	(103)
Other, net	141	73
Net cash provided by (used in) investing activities	(4,254)	(7,997)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	3,632	7,285
Repayments of long-term borrowings	(501)	(452)
Purchase of treasury shares	(4)	(3)
Proceeds from sale of treasury shares	63	73
Dividends paid	(2,539)	(6,296)
Dividends paid to non-controlling interests	(63)	(34)
Other, net	(14)	(16)
Net cash provided by (used in) financing activities	571	554
Effect of exchange rate change on cash and cash equivalents	558	(368)
Net increase (decrease) in cash and cash equivalents	2,527	(1,160)
Cash and cash equivalents at beginning of period	10,818	10,541
Cash and cash equivalents at end of period	13,345	9,380

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes regarding assumptions of continuing operations)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Application of an accounting method specific to the preparation of semi-annual consolidated financial statements)

(Calculation of income tax expenses)

The Company calculates income tax expenses by reasonably estimating the effective tax rate expected to be imposed on profit before income taxes for the fiscal year ending March 31, 2026 and then multiplying profit before income taxes for the six months ended September 30, 2025 by the effective tax rate thus estimated.

However, in cases where calculating tax expenses using the estimated effective tax rate yields a result that is notably lacking rationality, tax expenses will be calculated using the statutory effective tax rate.

(Changes in accounting policies)

(Change in the method of converting profits and expenses of overseas subsidiaries into Japanese yen)

Profits and expenses of overseas subsidiaries were previously converted into Japanese yen at the spot exchange rate prevailing on the date of account settlement of such subsidiaries; however, the method has been changed to converting them into Japanese yen based on the average exchange rate during the period, effective from the beginning of the fiscal year ending March 31, 2026.

This change was conducted in order to mitigate the impact of temporary fluctuations in exchange rates on periodic profits and losses and more appropriately reflect the profits and losses of overseas subsidiaries incurred throughout the accounting period in the consolidated financial statements, as the importance of overseas subsidiaries is expected to increase in the future as a result of the Company's global expansion.

As the impact of this change is insignificant, the change in accounting policy has not been applied retrospectively.

(Changes or restatement of accounting estimates)

Not applicable.

(Segment information, etc.)

[Segment Information]

Six Months Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

1. Information on Net Sales and Profit/Loss of Each Reportable Segment

(Millions of yen)

	Reportable segments					Adjustment (Note1)	Consolidated (Note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	25,351	6,467	29,799	5,710	67,329	-	67,329
Intersegment sales and transfers	283	1	69	26	380	(380)	-
Total	25,635	6,468	29,869	5,737	67,709	(380)	67,329
Segment profit	3,251	1,279	417	303	5,251	(1,684)	3,566

Notes:

1. The ¥(1,684) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.
2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Semi-annual Consolidated Statements of Income.

Six Months Ended September 30, 2025 (April 1, 2025 – September 30, 2025)

1. Information on Net Sales and Profit/Loss of Each Reportable Segment

(Millions of yen)

	Reportable segments					Adjustment (Note 1)	Consolidated (Note 2)
	Functional solutions	Medical	Apparel	Lifestyle creations	Total		
Net sales							
Sales to customers	23,246	6,480	29,725	5,818	65,270	-	65,270
Intersegment sales and transfers	421	0	60	20	502	(502)	-
Total	23,667	6,480	29,785	5,838	65,772	(502)	65,270
Segment profit	3,346	948	249	475	5,019	(1,833)	3,186

Notes:

1. The ¥(1,833) million segment profit adjustment consists of overall costs not allocated to reportable segments. Overall costs refer to SG&A expenses not allocated to reportable segments.
2. Segment profit total was adjusted to be consistent with the operating profit recorded on the Semi-annual Consolidated Statements of Income.

(Significant subsequent events)

Not applicable.

3. Supplementary Information

Overview of Consolidated Results

<Overview of Results>

- **Net sales**

Net sales decreased attributable to the impact of sales of electronic components, for which operations were wound down at the end of the previous fiscal year, and the sluggish demand for plastic films in Japan and overseas.

- **Operating profit and ordinary profit**

Operating profit and ordinary profit decreased primarily due to the increase in fixed costs for the medical business and the impact of lower sales volume and higher costs in the apparel business.

- **Profit attributable to owners of parent**

Profit attributable to owners of parent decreased mainly due to the recording of business restructuring expenses in the apparel business for the three months ended June 30, 2025.

<Forecasts for the Fiscal Year Ending March 31, 2026>

- Because the consolidated financial results for the six months ended September 30, 2025 have been almost in line with expectations, the Company has decided not to change its previously announced consolidated financial results forecast.
- Annual dividend payment is scheduled to be ¥216 per share (an ordinary dividend of ¥147 and a special dividend of ¥69).

* The Company has decided not to change its previously announced forecast for dividends.

(1) Operating Results for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2024	Change <Upper figures in brackets %>
Net sales	65,270	67,329	<(3.1)> (2,059)
Operating profit	3,186	3,566	<(10.7)> (379)
Ordinary profit	3,205	3,667	<(12.6)> (462)
Profit attributable to owners of parent	(658)	2,956	<-> (3,615)
Financing income/expenses	89	144	(54)
Interest/dividends received	125	186	<(61)>
Interest expenses	(35)	(42)	<6>
Capital expenditures	7,389	2,099	5,290
Depreciation	3,575	3,412	163
	As of September 30, 2025	As of March 31, 2025	Change <Upper figures in brackets %>
Total assets	157,440	159,677	<(1.4)> (2,237)
Inventories	37,411	38,471	<(2.8)> (1,059)
Non-current assets	82,725	81,702	<1.3> 1,023
Net assets	112,648	120,982	<(6.9)> (8,334)

Acquisition of treasury shares, etc.

(Thousands of shares)

(Millions of yen)

Treasury shares acquired	0	3
Treasury shares disposed	25	62
Treasury shares held at the end of the previous fiscal year	2,116	5,273
Treasury shares held at the end of the period under review	2,092	5,214

* As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. Information presented in “Acquisition of treasury shares, etc.” has been prepared on the assumption that the said stock split had been conducted at the end of the fiscal year ended March 31, 2024.

(2) Results by Business Segment

(Millions of yen)

Segment		Six months ended September 30, 2025		Six months ended September 30, 2024		Change	
		Amount	Weight	Amount	Weight	Amount	Change (%)
Net sales	Functional Solutions	23,667	36.0	25,635	37.9	(1,967)	(7.7)
	Medical	6,480	9.8	6,468	9.5	12	0.2
	Apparel	29,785	45.3	29,869	44.1	(84)	(0.3)
	Lifestyle Creations	5,838	8.9	5,737	8.5	101	1.8
	Subtotal	65,772	100.0	67,709	100.0	(1,937)	(2.9)
	Elimination	(502)		(380)		(122)	-
	Consolidated	65,270		67,329		(2,059)	(3.1)
Operating profit	Functional Solutions	3,346	66.7	3,251	61.9	94	2.9
	Medical	948	18.9	1,279	24.4	(330)	(25.8)
	Apparel	249	4.9	417	7.9	(168)	(40.3)
	Lifestyle Creations	475	9.5	303	5.8	172	56.8
	Subtotal	5,019	100.0	5,251	100.0	(231)	(4.4)
	Elimination	(1,833)		(1,684)		(148)	-
	Consolidated	3,186		3,566		(379)	(10.7)

(3) Significant Financial Indicators

Item		Six months ended September 30, 2025	Six months ended September 30, 2024	Change
Operating profit to total assets ratio	%	2.0	2.2	(0.2)
Ordinary profit to total assets ratio	%	2.0	2.2	(0.2)
Operating profit to net sales ratio	%	4.9	5.3	(0.4)
Ordinary profit to net sales ratio	%	4.9	5.4	(0.5)
Equity ratio	%	70.4	72.4	(2.0)
ROE	%	(0.6)	2.5	(3.1)
Earnings per share	¥	(20.27)	88.62	(108.89)
Diluted earnings per share	¥	-	88.42	-
Net assets per share	¥	3,410.34	3,617.42	(207.08)

*1. As of April 1, 2025, the Company conducted a 2-for-1 stock split of its common stock. Significant financial indicators have been calculated on the assumption that the said stock split had been conducted at the beginning of the fiscal year ended March 31, 2024.

2. Diluted earnings per share for the six months ended September 30, 2025 are not shown because basic earnings per share were negative although there are residual shares.

(4) Cash Flows

(Millions of yen)

Cash Flow Activity	Six months ended September 30, 2025	Six months ended September 30, 2024	Change	Breakdown of Major Components
Operating activities	6,650	5,651	998	Operating profit: 3,186; Depreciation: 3,553
Investing activities	(7,997)	(4,254)	(3,742)	Purchase of non-current assets: (7,906)
Financing activities	554	571	(17)	Increase in short-term borrowings and commercial papers: 7,285; Dividends paid: (6,296)
Effect of exchange rate change on cash and cash equivalents	(368)	558	(926)	
Net increase (decrease) in cash and cash equivalents	(1,160)	2,527	(3,688)	
Cash and cash equivalents at end of period	9,380	13,345	(3,965)	

(5) Capital Expenditures and Depreciation and Amortization by Segment

(Millions of yen)

Item		FY2025 Plan			FY2024		YoY Change
		Amount	Weight	Results for six months ended September 30, 2025	Amount	Weight	
Capital expenditures *Incl. intangible assets	Functional Solutions	7,500	46.3	5,063	1,784	23.7	5,716
	Medical	3,300	20.4	971	2,315	30.7	985
	Apparel	3,500	21.6	431	1,961	26.0	1,539
	Lifestyle Creations	1,400	8.6	776	842	11.2	558
	Corporate	500	3.1	146	634	8.4	(134)
	Total	16,200	100.0	7,389	7,538	100.0	8,662
Depreciation *Incl. amortization of goodwill	Functional Solutions	3,100	39.7	1,434	2,803	40.8	297
	Medical	800	10.3	335	575	8.4	225
	Apparel	1,700	21.8	715	1,432	20.9	268
	Lifestyle Creations	1,600	20.5	793	1,516	22.1	84
	Corporate	600	7.7	296	539	7.8	61
	Total	7,800	100.0	3,575	6,867	100.0	933

Main Investment Plans for FY2025

- Measures to increase production of and building a new factory for engineering plastics products: ¥4,000 million
- Measures to increase production of and building a new factory for medical products: ¥3,000 million
- Overseas production facilities for apparel products: ¥1,700 million

(6) FY2025 Forecast

(Millions of yen)

Item	FY2025 Forecast	FY2024 Results	Change	
			Amount	Change (%)
Net sales	140,000	137,117	2,883	2.1
Operating profit	8,500	7,921	579	7.3
Ordinary profit	8,300	8,180	120	1.5
Profit attributable to owners of parent	2,800	6,279	(3,479)	(55.4)

(7) Forecast of Results by Segment

(Millions of yen)

Item		FY2025 Forecast		FY2024 Results		Change	
		Amount	Weight	Amount	Weight	Amount	Change (%)
Net sales	Functional Solutions	50,500	35.9	52,204	37.8	(1,704)	(3.3)
	Medical	15,600	11.1	12,949	9.4	2,651	20.5
	Apparel	61,400	43.6	60,782	44.1	618	1.0
	Lifestyle Creations	13,200	9.4	12,005	8.7	1,195	10.0
	Subtotal	140,700	100.0	137,941	100.0	2,759	2.0
	Elimination	(700)		(824)		124	-
	Consolidated	140,000		137,117		2,883	2.1
Operating profit	Functional Solutions	8,100	66.4	7,205	63.3	895	12.4
	Medical	2,500	20.5	2,430	21.4	70	2.9
	Apparel	400	3.3	753	6.6	(353)	(46.9)
	Lifestyle Creations	1,200	9.8	988	8.7	212	21.5
	Subtotal	12,200	100.0	11,377	100.0	823	7.2
	Elimination	(3,700)		(3,456)		(244)	-
	Consolidated	8,500		7,921		579	7.3

* The above figures remain unchanged from the financial results forecast for the fiscal year ending March 31, 2026, which was announced on May 14, 2025.